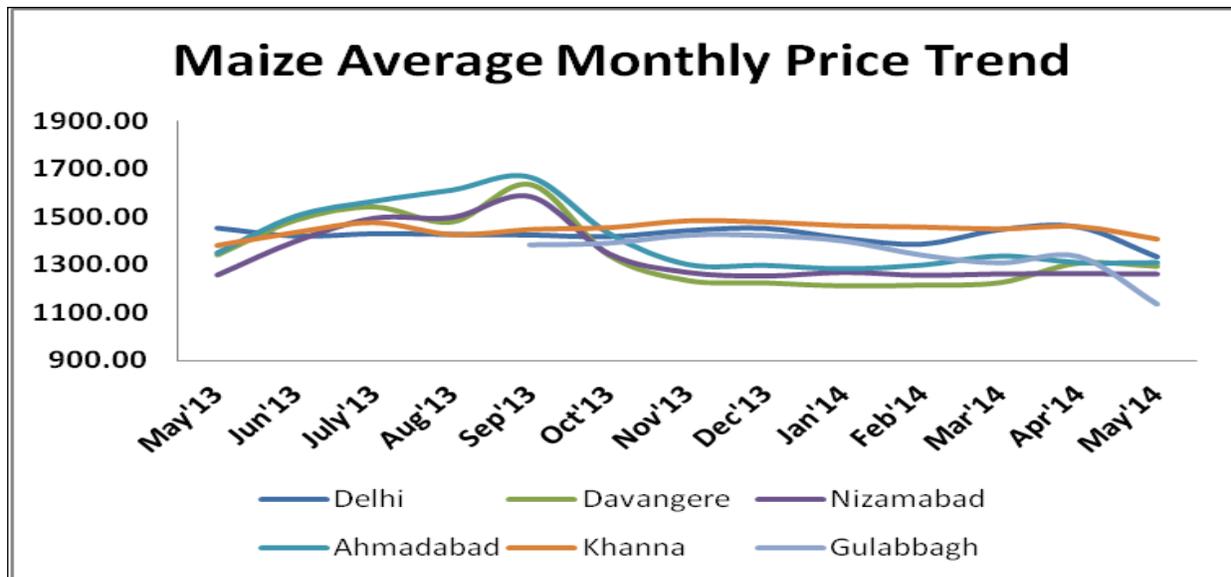


**EXECUTIVE SUMMARY:**

Mixed sentiments witnessed during the month of May. However, for the month of Jun, we expect market to trade steady to slightly weak as peak arrivals of maize have started from the Bihar. Besides, Karnataka government has huge stock of maize and is likely to release it soon which will further put pressure on market sentiments. However, any steep fall from current level is unlikely as export and domestic demand continues. Besides, it's already trading at its bottom so the chances are that market could sustain at this level. Only government release could drag the prices down to the some extend.

In Bihar, new crop contains around 14% moisture and have huge domestic and export demand and it is moving towards vizag port at Rs. 1380 per quintal, sourced from Gulabghat and Kolkata at Rs. 1225-1250 per quintal, sourced from Naugachia region of Bihar. Meanwhile, maize is moving towards Bangalore and Nammakal at Rs. 1400 per quintal and Rs. 1480-1500 per quintal respectively, sourced from Davangere.

During the month of May, in the Khanna market of Punjab, the maize was quoted down by Rs. 75 per quintal in a range of Rs. 1325-1450 per quintal as compared to last month. Around 11-12 motors reportedly arrived on daily basis. Sources revealed that maize stock could be around 400 motors at this time. However, in Ahmadabad region of Gujarat, poultry feed makers quotes for maize were steady in a range of Rs. 1280-1330 per quintal while starch feed makers quotes were firm by Rs. 20 per quintal as compared to last month, in a range of Rs. 1240-1400 per quintal, sourced from Maharashtra.



**INDIA MAIZE BALANCE SHEET**

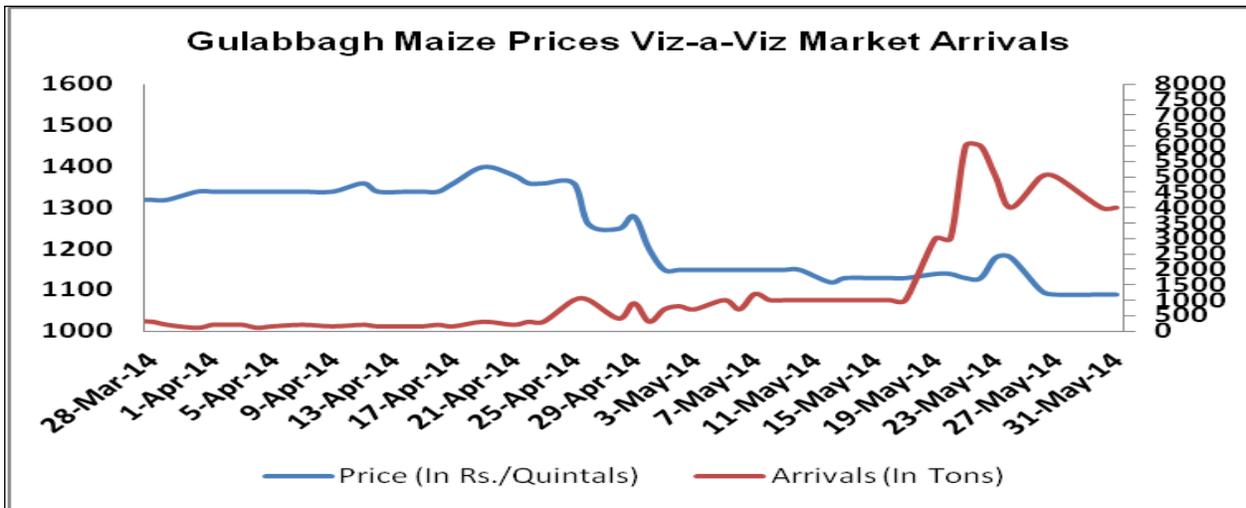
	2012-13*E	2013-14F	2013-14 Quarterly B/S			
			Oct-Dec'13 F	Jan-Mar'14 F	Apr-Jun'14 F	July-Sep 14 F
Opening Stocks (MMT)	1.20	0.15	0.15	4.78	1.97	2.20
Area Harvested (MHA)	8.50	8.83				
Production (MMT)	20.00	21.42	12.40	3.10	4.74	1.18
Yield (MT/HA)	2.35	2.43				
Farmer's Release (MMT)	11.87	14.95	7.26	3.11	3.20	1.37
Govt. Procurement (MMT)	1.00	1.09	0.49	0.60	0.00	0.00
Pvt. Trade Release (MMT)	10.87	13.85	3.25	6.03	2.74	1.83
Seed Retention (MMT)	0.22	0.24	0.04	0.00	0.21	0.00
Imports (MMT)	0.01	0.01	0.00	0.00	0.00	0.01
<b>Total Supply (MMT)</b>	<b>21.21</b>	<b>21.58</b>	<b>12.55</b>	<b>3.10</b>	<b>4.74</b>	<b>1.19</b>
Export (MMT)	4.76	3.70	0.53	1.07	1.40	0.70
Domestic Consumption (MMT)	16.30	17.25	7.25	4.83	3.11	2.07
<b>Total Demand (MMT)</b>	<b>21.06</b>	<b>20.95</b>	<b>7.77</b>	<b>5.90</b>	<b>4.51</b>	<b>2.77</b>
<b>Ending Stock (MMT)</b>	<b>0.15</b>	<b>0.63</b>	<b>4.78</b>	<b>1.97</b>	<b>2.20</b>	<b>0.63</b>

- *E= AW Estimates, F=AW Forecast*
- *The seed has consumed 0.037 MN T IN OCT-DEC'13 AND 0.206 MN T IN APR-JUN'14 Quarter.*

STATE - WISE MARKET DYNAMICS

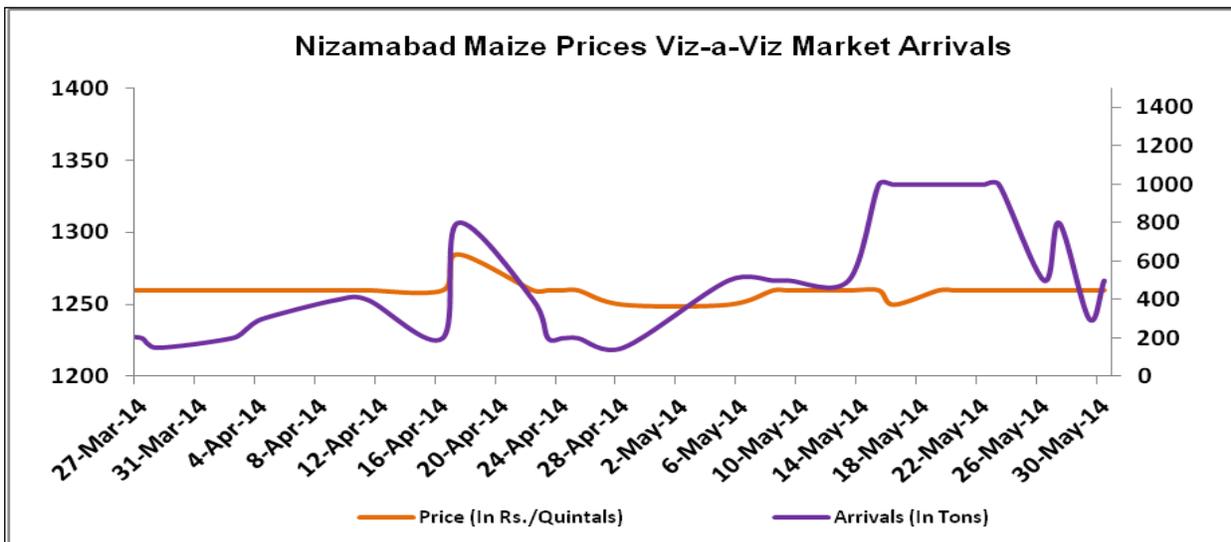
BIHAR

During the month, maize traded down due to arrival pressure in the market. As per trade sources, new crop contains around 14% moisture and have huge domestic and export demand and it is moving towards vizag port at Rs. 1380 per quintal, sourced from Gulabbagh and Kolkata at Rs. 1225-1250 per quintal, sourced from Naugachia region of Bihar.



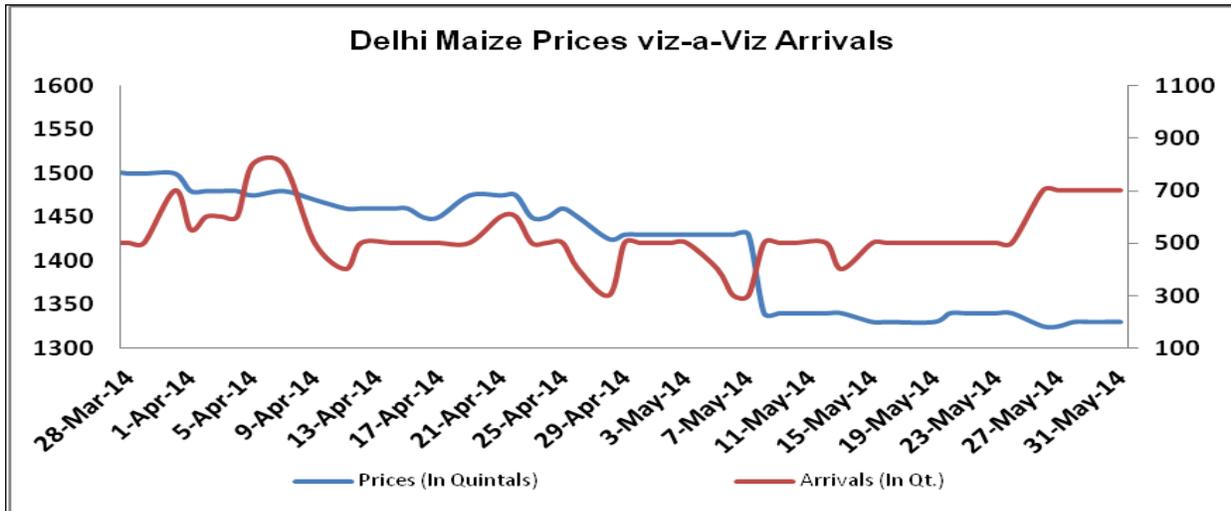
ANDHRA PRADESH

As per trade sources, government of A.P. has procured maize around 0.26 million tons. Besides, private traders have around 0.25 million tons stock of maize at this time.



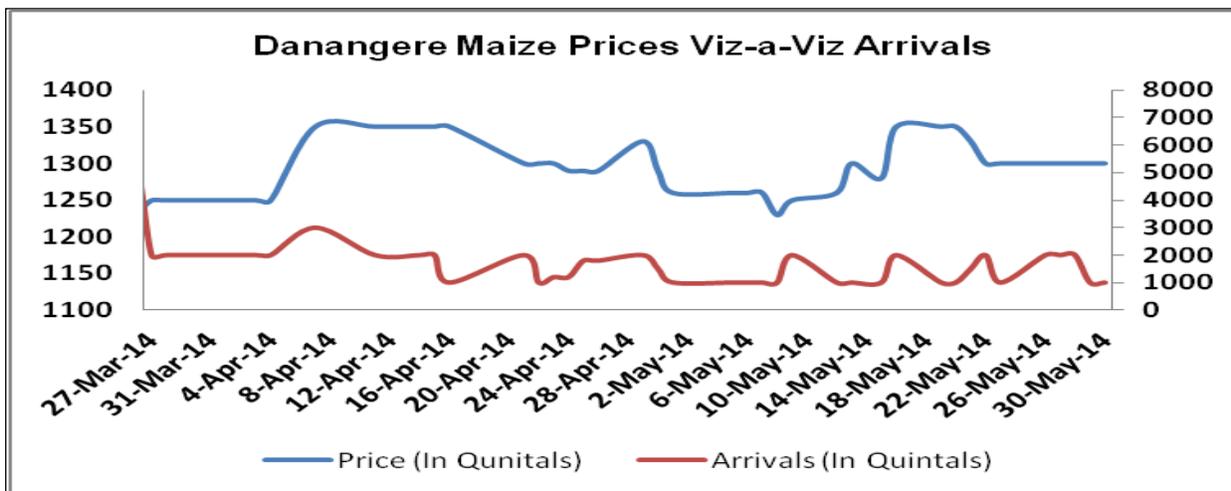
**DELHI**

During the month of May, new crop arrivals of red maize started from Bihar; traded at Rs. 1325-1340 per quintal. Sources revealed that prices could trade steady to slightly weak in the near term.



**KARNATAKA**

Government is likely to release its stock in the market soon which could drag the prices down. On the expectation of government release, private traders have already started their stock release towards Bangalore and Nammakal at Rs. 1400 per quintal and Rs. 1480-1500 per quintal respectively, sourced from Davangere.



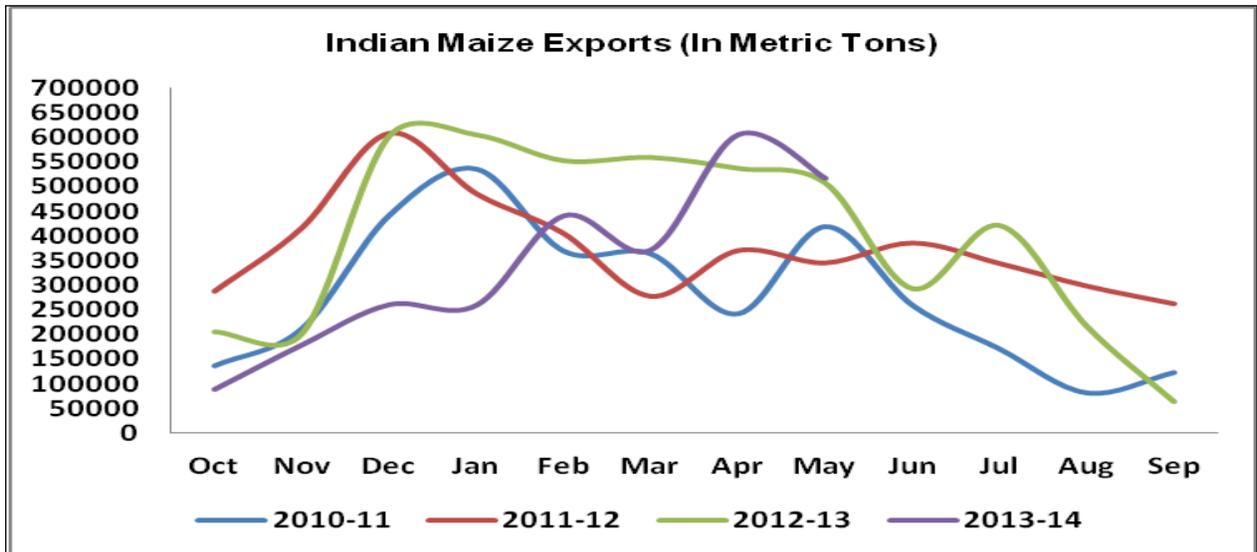
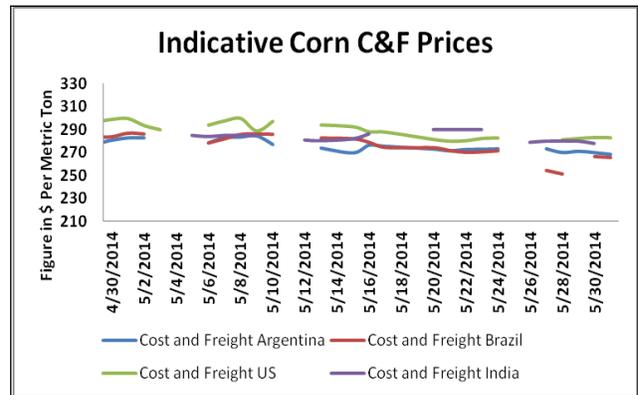
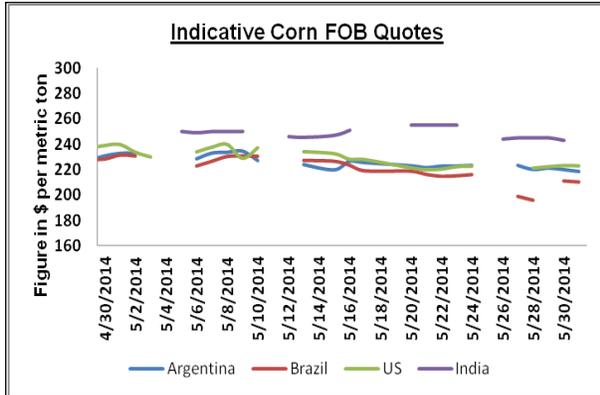
**PRICE OUTLOOK:**


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We expect market to trade lower amid higher arrivals from Bihar. However, any steep fall from current level is unlikely. Export and domestic demand continues. Traders could purchase the maize at the month end from Bihar after release of government stock from Karnataka and could hold the position till the August end to Mid September to book the profit.

<b>Month-wise Average prices of Maize at various markets</b>					
<b>Market</b>	<b>2014-May</b>	<b>2014-Apr</b>	<b>2013-May</b>	<b>% Change from Pre. Month</b>	<b>% Change from Pre. Year</b>
Delhi (U.P. Origin)	1330	1430	1425	-6.99	-6.66
Davangere	1300	1260	1400	3.17	-7.14
Shimoga	1280	1255	1350	1.99	-5.18
Bagalkot	1220	1230	1235	-0.81	-1.21
Gadag	1239	1265	1260	-2.05	-1.66
Nizamabad	1260	1250	1310	0.80	-3.81
Khanna	1350	1450	1350	-6.89	Unch
Ludhiana	1300	1450	NA	-10.34	-
Sangli	1380	1320	1458	4.54	-5.34
Gulabgh	1090	1200	NA	-9.16	-

ON THE EXPORT FRONT:



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 59.2)				
	Argentina	Brazil	US	India
<b>FOB</b>	218.8	210.45	222.89	243.00
<b>Cost and Freight (C&amp;F)</b>	268.8	265.45	282.89	278.00

**EXPORT BREAK UP BY MAJOR COUNTRIES DURING THE MONTH OF APR'14**

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As per IBIS data, During the month of May'14, 0.5177 million tons corn exports reported to, Indonesia, Malaysia, Vietnam, Sri Lanka, Bahrain, Nepal, UAE, Taiwan, Portklang and Brunei mainly through JNPT, Kakinada Sea, Krishnapatnam sea, Tondiarpet ICD, Chennai Sea, and Raxul LCS.

<b>Country</b>	<b>Qty in Tons</b>
Indonesia	1,53,195.140
Malaysia	1,16,947.764
Vietnam	34,803.930
Sri Lanka	34,799.165
Bahrain	15,974.105
Nepal	12,081.620
UAE	11,693.421
Taiwan	10,216.995
Portklang	7,367.085
Brunei	6,658.000

FUTURES MARKET ANALYSIS: NCDEX MAIZE (JULY CONTINUOUS WEEKLY FUTURE CHART)



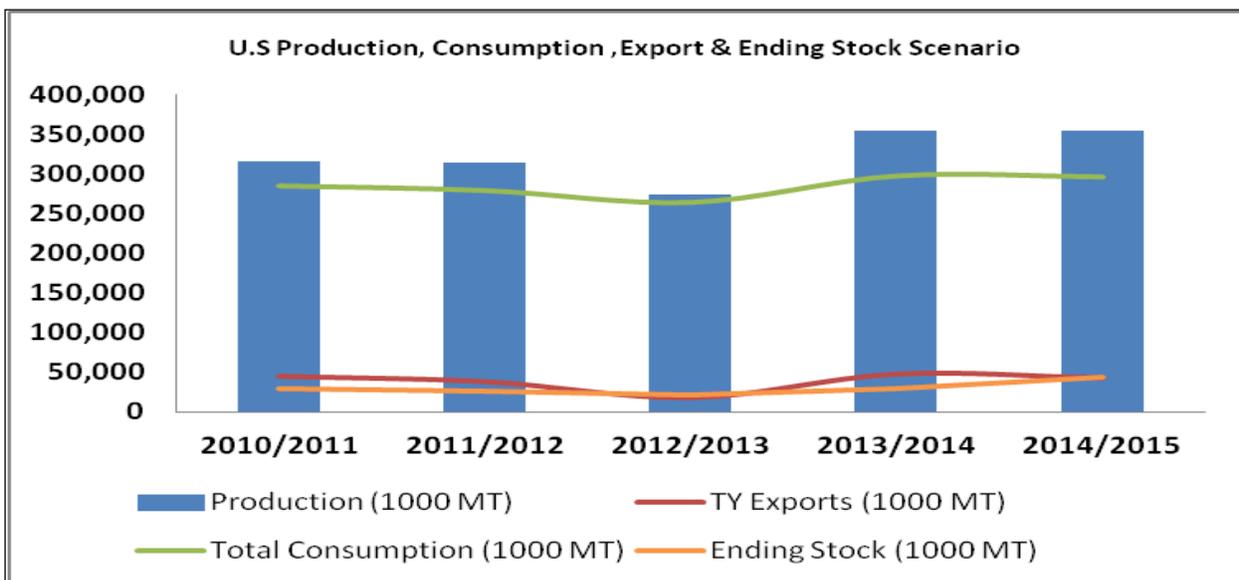
- Candlestick chart pattern reveals bearish situation in the market.
- RSI is moving down in neutral zone.
- Prices closed below 9 and 18 days EMAs support to bearishness.
- Prices recently breach triangle formation; two consecutive closes would take the prices down.
- Strategy: Sell at current level and target1 and target2 would be 1050, 1010.

Support & Resistance				
S2	S1	PCP	R1	R2
950	1000	1161	1196	1242

INTERNATIONAL MARKET SCENARIO:

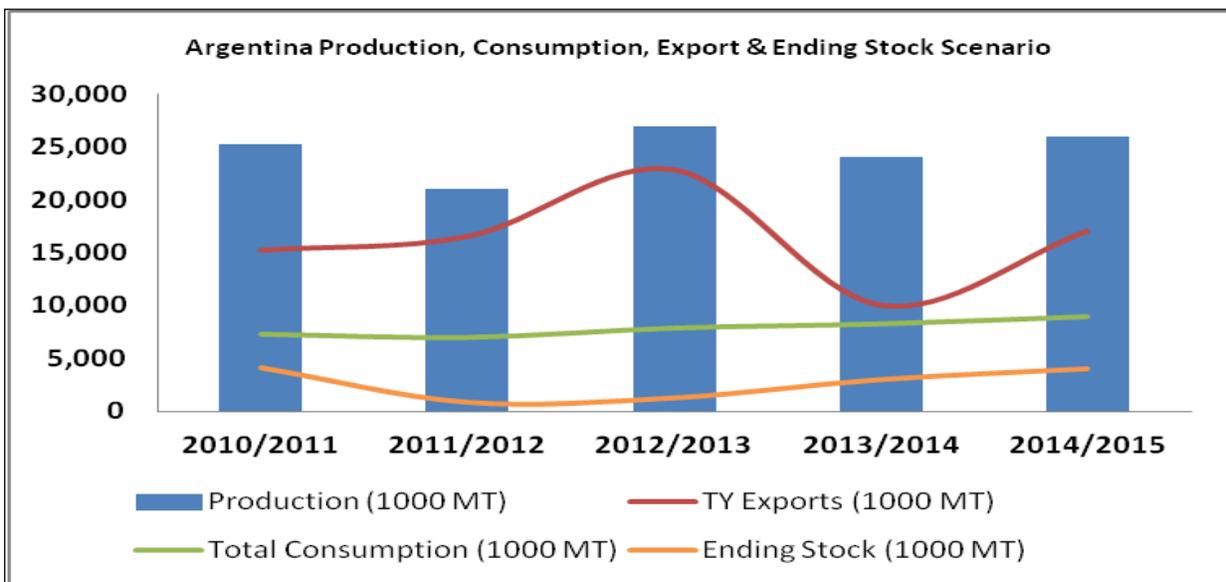
U.S.

As per USDA, U.S accumulated corn export figures reached to 32,654,216 metric tons for the 2013-14 marketing year which is up by 4% from the last week and 1% from the prior 4-week average. Exports of 1,210,200 MT were reported by U.S. to Mexico (277,300 MT), Egypt (208,700 MT), Japan (205,300 MT), Colombia (142,600 MT), South Korea (67,800 MT), Vietnam (65,000 MT), and Portugal (59,600 MT) for the period May 16- May 22, 2014.



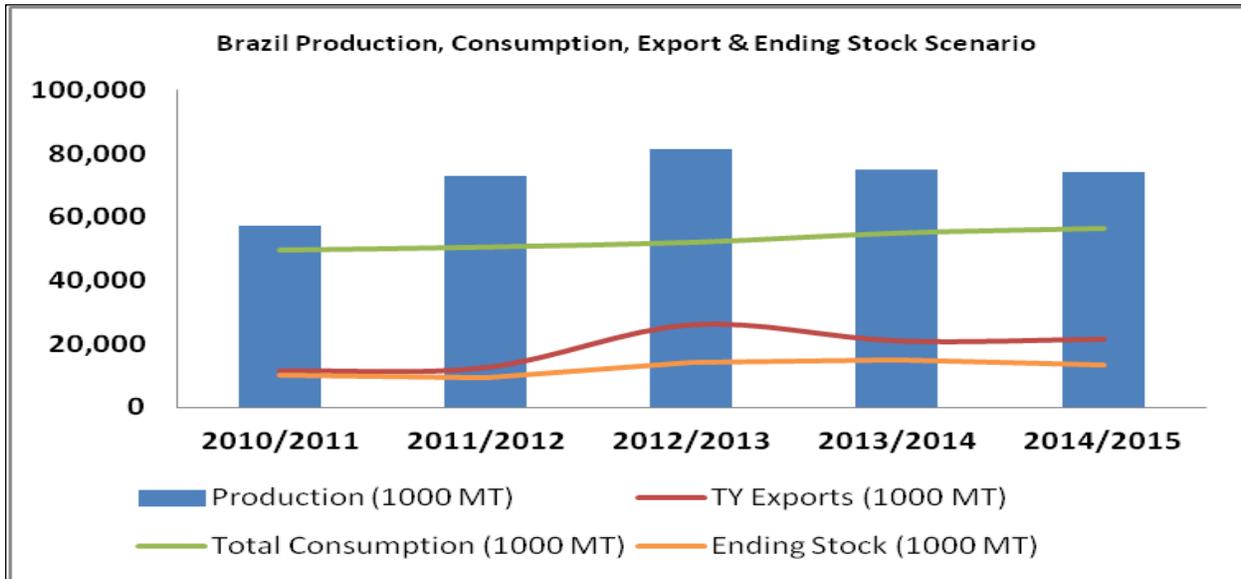
- As per the latest crop progress report released by USDA, the corn crop has been planted 88% as of 25th May, 2014 in the corn growing regions of U.S., higher by 4% from the last year but same from the last 5 year average period. Besides, corn has been emerged 60% as of 25th May, 2014, higher by 11% from the last year but below 4% from the last 5 year average period.
- As per USDA, Private exporters reported the sale of 126,000 tons of U.S. corn to South Korea for delivery in 2013/14.
- USDA raised its export figures for U.S corn to 48 MMT from 45 MMT for 2013-14 and estimates 43 MMT exports for 2014-15.

ARGENTINA



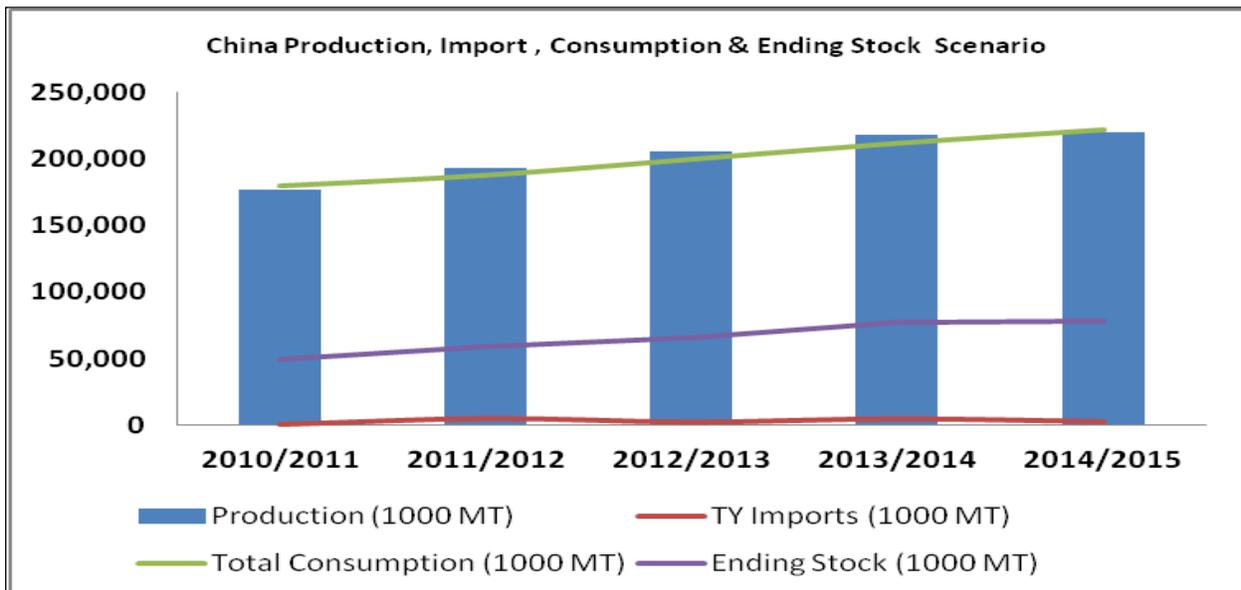
- USDA decreased TY export forecast for Argentina by 2 million tons to 10 million tons for 2013-14 and forecast 17 million tons exports for 2014-15. Besides, it has increased consumption forecast by 0.7 million tons to 9 million tons from the last year.
- USDA forecast corn production for Argentina at 26 million tons for 2014/15.

BRAZIL



- USDA raised corn production forecast for Brazil by 3 million tons to 75 million tons for 2013/14 from the last month forecast and forecast corn production at 74 million tons for 2014-15.
- USDA raised export forecast by 0.5 million tons to 21.5 million tons and consumption forecast by 1.5 million tons to 56.5 million tons as compared to last year.

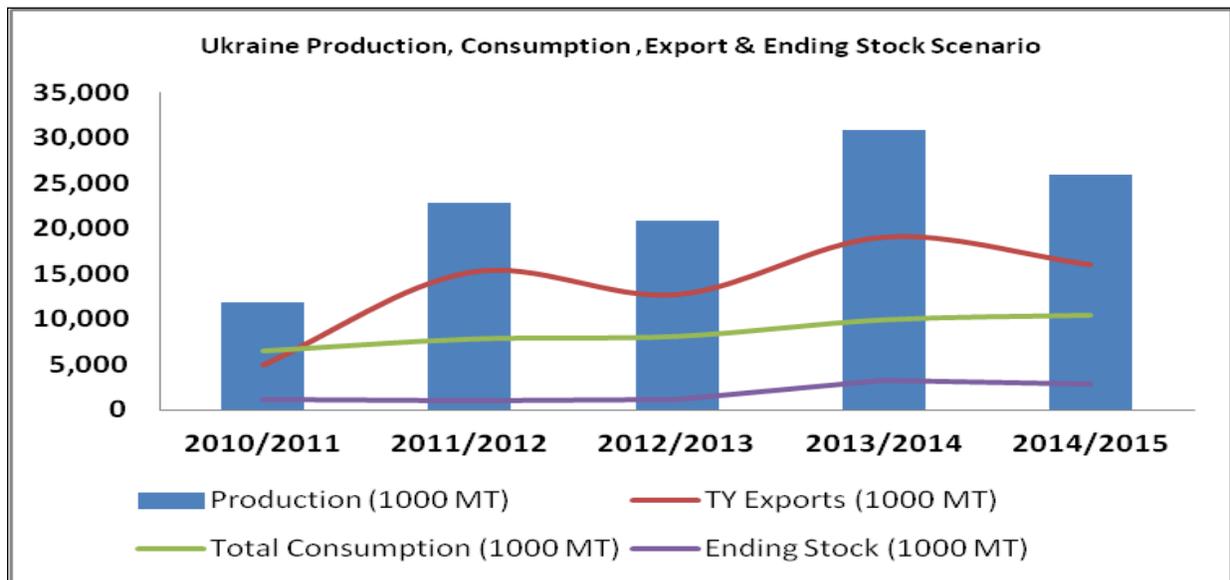
CHINA



- USDA decreased corn consumption forecast by 4 million tons to 212 million tons from the last month forecast for 2013/14 but raised its corn consumption forecast by 10 million tons to 222 million tons for 2014/15.
- As per official think-tank forecast, China is expected to produce a record 222.1 million tons of corn in 2014/15, up 2% from the last year while as per USDA, China is expected to produce 220 million tons for 2014-15.
- As per official think-tank forecast, china's corn import are estimated to be lower at 3.5 million tons for 2014/15 (Oct/Sept) from 5.5 million tons estimated for this year. While, as per USDA, china's corn imports are estimated at 3 million tons, lowered by 1.5 million tons from the last year.

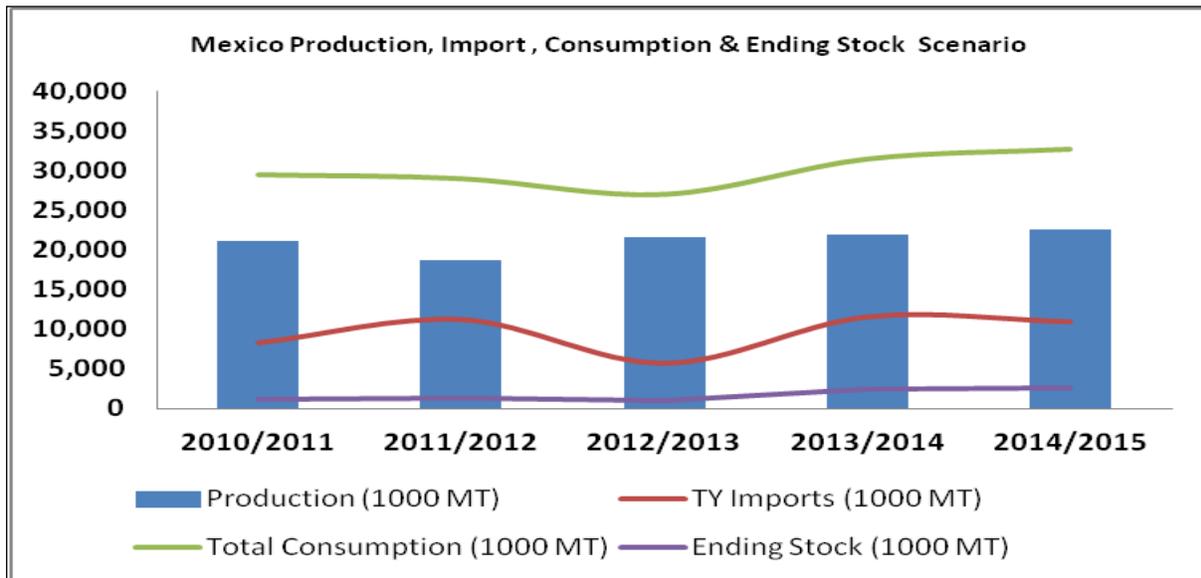
UKRAINE

- As per Ukrainian agriculture ministry, maize has been sown in 4.7 million hectares. Besides, it plans to sow a total of 4.9 million hectares of maize this year versus 4.83 million in 2013. (Source: Reuters)
- As per data from the Agriculture Ministry, Ukraine's maize export fell to 1.4 million tons in April from 2.6 million tons in March. (Source: Reuters)
- USDA forecast corn production at 26 million tons for Ukraine for 2014-15, lowered by 4.9 million tons as compared to last year. Besides, it decreased TY exports forecast by 3 million tons to 16 million tons for 2014-15.



MEXICO

- USDA raised corn production forecast for Brazil by 0.6 million tons to 22.5 million tons for 2014/15 as compared to last year and lowered corn import forecast by 0.6 million tons to 10.9 million tons for 2014/15.



IGC Global Corn Projection					
	2013-14 F	2014-15(Projection)			
		25th Apr	29th May	% change MOM	% change YOY
<b>Production</b>	965	950	955	0.53%	-1.04%
<b>Trade</b>	116	112	114	1.79%	-1.72%
<b>Consumption</b>	938	945	947	Unch	0.96%
<b>Carryover Stock</b>	164	163	172	5.52%	4.88%
<b>YOY change</b>	32		8		

- Figures in million tons

As per latest IGC update, global corn production is projected at 955 million tons for 2014/15, up by 5 million tons from the previous month projection on improving weather conditions in the U.S but still down by 1.04% from the last year due to lower yield expectation. While world demand is seen expanding further in 2014/15 due to growth in feed and industrial uses will be much slower compared to last year. Led by U.S, total exporter stocks are expected to rise by 17% to a seven-year high in 2014/15; following recent bumper crops and lower than expected demand. China has ample stock and may increase further.

**INTERNATIONAL CORN HIGHLIGHTS**


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- As per Reuters news, preliminary Japanese government data shows that Japan's use of corn in animal feed production rose to 46.2% in the Mar'14 from 42.2% during the same month last year as users' reliance on alternatives such as sorghum, wheat and barley decreased.

As per Reuters news, below mentioned deals prevailed during the one month period:-

- U.S traders told that South Korea's largest animal feed maker Nonghyup Feed Inc purchased 120,000 tons of optional-origin corn for \$249.99 per ton including freight. 60,000 tons was for delivery in South Korea by Dec. 10 and 60,000 tons for delivery by Dec. 20 and South Korea's Korea Corn Processing Industry Association bought 55,000 tons of U.S. corn at \$266.50 per ton, including cost and freight, for arrival by Aug. 25. Besides, European traders told that South Korea's Major Feedmill Group purchased 198,000 tons of corn from Toepfer International for November to December arrival. The purchase was comprised of 68,000 tons of South American origin corn for arrival around Nov. 25 at \$260.54 a ton c&f plus a \$1.50 a ton surcharge for unloading at an additional port. Another 65,000 tons which can be sourced from any origin for arrival around Dec. 4 was purchased at \$259.64 a ton c&f plus a \$1.50 a ton surcharge for unloading at an additional port. A further 65,000 tons which can be sourced from any origin for arrival around Dec. 13 was purchased at \$258.64 a ton c&f plus a \$1.50 per ton surcharge. (Source: Reuters)
- European traders told that Taiwan's maize industry procurement association MFIG has purchased 60,000 tons corn from Japanese trading house Mitsui for shipment from Brazil July 26 to August14. The purchase was made in a combination of a flat price of \$263.90 a ton c&f for 1,500 tons and at a basis price of a premium of 178.90 cents a bushel c&f over the Chicago September corn contract for the remaining 58,500 tons. (Source: Reuters)

<b>Maize CBOT Monthly Futures Price Listing (USD/MT)</b>				
	<b>Contract Month</b>	<b>29.5.2014</b>	<b>29.4.2014</b>	<b>Change</b>
<b>Corn CBOT Prices</b>	<b>Jul-14</b>	184.80	199.85	<b>-15.05</b>
	<b>Sep-14</b>	182.34	202.21	<b>-19.87</b>
	<b>Dec-14</b>	182.24	200.74	<b>-18.50</b>
	<b>Mar-15</b>	185.98	199.56	<b>-13.58</b>

**OUTLOOK:**


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*Corn prices on CBOT market decreased during last month on rapid planting progress in the U.S. Midwest and are likely to trade steady to slightly weak on limited export demand due to GMO issue and higher production estimate for wheat and corn.*

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